

# Medi-Cal Program Guide Special Notice 07-10 (Errata)

April 14, 2008

<b>Subject</b>	2008 SOCIAL SECURITY COST OF LIVING ADJUSTMENT (COLA), MEDICARE CATASTROPHIC COVERAGE ACT SPOUSAL IMPOVERISHMENT CAPS, AND THE PARENTAL ALLOCATIONS FOR THE QUALIFIED MEDICARE/SPECIFIED LOW-INCOME MEDICARE BENEFICIARY/QUALIFYING INDIVIDUALS AND OTHER PROGRAM
<b>Effective</b>	January 1, 2008
<b>Expiration Date</b>	December 31, 2008
<b>Reference</b>	ACWDL 07-22, 07-25, 07-26, 07-27, 08-13
<b>Purpose</b>	<p>The purpose of this Special Notice is to inform staff of the following:</p> <ul style="list-style-type: none"><li>• The 2008 increases in the Social Security Title II and Title XIV benefits, Medicare premiums and deductibles, Community Spouse allocation, Standard Allocation, and Parent Allocation that often occurred and/or are associated with the annual Social Security Cost of Living Adjustment (COLA).</li><li>• All existing Medi-Cal cases with Social Security Title II income and/or allocation computations, except for programs where eligibility is determined based on the Federal Poverty Level (FPL), must be recomputed by the December 2007 NOA deadline.</li><li>• A COLA Mass Update is scheduled for December 2, 2007 to reflect the Social Security COLA increases on the majority of granted cases with SSA income.</li><li>• How to process cases which were not successfully processed during the COLA Mass Update.</li><li>• How to process NOAs (aka client correspondences) generated from the COLA Mass Update.</li><li>• The Aged and Disabled FPL Couple's Disregard for January 1, 2008 through March 31, 2008.</li><li>• The 2008 Supplemental Security Income/State Supplemental payment (SSI/SSP) cash grant levels for January 01, 2008 through May 31, 2008 and June 1, 2008 through December 31, 2008 (Attachment A and B).</li></ul>

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### Purpose (continued)

- The 2008 In-Kind Support and Maintenance (ISM) Values (Attachment C) and the 2008 Pickle Disregard Computation Chart for computing Pickle Eligibility (Attachment D).
  - Manual COLA review will be required for all cases with RailRoad Retirement Income and Civil Services Annuities as the COLA increases are not standard.
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### Summary of Changes

The following increases shall be effective **January 01, 2008**.

- The Social Security Title II (Retirement, Survivor's and Disability Insurance) benefits will have a 2.3% COLA increase.
  - The Medicare Part B premium will increase to \$96.40
  - The Medicare Part B annual deductible will increase to \$135.
  - The Community Spouse Income Allocation is \$2,610 per month and the 2008 Community Spouse Resource Allowance (CSRA) is \$104,400.
  - The Medicare Part A premium will be \$423 for persons who do not receive free Medicare Part A. For persons with 30-39 quarters of Medicare covered employment, the reduced Medicare Part A premium will be \$233.
  - The Medicare Part A deductible is \$1,024 for the first 60 days of inpatient care, \$256 a day for days 61 through 90, and \$512 a day for day 91 through 150. The skilled nursing facility deductible is \$128 a day for the 21<sup>st</sup> through 100<sup>th</sup> day (no deductible for day 1 through 20).
  - The Aged and Disabled FPL Couple's Disregard will be \$383 from January 1, 2008 through March 31, 2008. (Note: The income disregard for A & D FPL individuals remains unchanged.)
  - The Federal Benefits rate (FBR) is \$637 for an individual and \$956 for a couple.
  - The Standard Allocation for the 250% Working Disabled, Qualified Medicare Beneficiary (QMB), Specified Low-Income Beneficiary (SLMB), and Qualified Individual (QI) programs will be \$319 (the couple FBR minus the individual FBR).
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### Summary of Changes (continued)

- The Parent Allocation will be determined as follows:

If...	Then...
One ineligible parent lives with a child	\$637
Both ineligible parents live with a child	\$956

- Increases to the SSI/SSP cash grant levels, Pickle Disregard Computation Chart and ISM values for computing Pickle Eligibility are detailed in Attachments A-D.
  - Annual COLAs also occur in Railroad Retirement Income and Civil Service Annuities and shall require manual review by workers.
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### Exemptions from COLA Increase

As usual, the COLA increases for those programs where eligibility is determined based on the FPL (i.e. A & D FPL, 100%, 133%, 200%, 250% Working Disabled, QMB/SLMB, and QI-1) will be disregarded until April 2008 when the new FPLs are released. Workers are to continue using the December 2007 Social Security Title II amounts when comparing the net income of the MFBU to the FPL for the purposes of determining eligibility to these FPL aid types. CalWIN is programmed to disregard the SSA COLA amount until April 2008 when the new FPLs are effective. CalWIN is also programmed to disregard the SSA COLA amount for 1931(b) cases, whose eligibility is established using the Applicant test since the 1931(b) Applicant test also utilizes the FPL.

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### Notices of Action

The COLA Mass Update scheduled for December 2, 2007 will produce NOAs. As part of the COLA workgroup's recommendations, certain NOAs will be deleted from the print queue while others will be mailed automatically and require no additional action by the worker. However, some NOAs will require worker's review and will be set to stay in On-line status. A list of cases identifying NOAs placed in Online status will be distributed to FRCs on **12/06/07** (*Note: Date dictated by the CalWIN Project & may be subject to change*). Workers will need to review their Print Queue before the December 2007 NOA deadline in order to verify that the information is correct before issuing the NOA to the beneficiary. Priority shall be given to those cases which are negatively affected as these must be sent out by NOA deadline to meet the 10-day requirement.

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### Notices of Action (continued)

The worker will need to review and determine:

If the NOA is...	Then the worker must...
Correct	Set Print Mode to either "Immediate" or "Batch."
Inappropriate	Delete the NOA.
Incorrect	Make the appropriate corrections by using the "Manual Variables" button and enter the correct information.

### Exception Lists

Cases that were not processed successfully during the COLA Mass Update will be identified on the Exception Lists. A case may exception out during the COLA Mass Update run due to four primary Error Types (EDBC Error, Authorization Error, Pre-EDBC Exceptions and Pre-Authorization Exceptions). Descriptions and possible reasons for the errors and instructions for processing cases appearing on the Exception Lists are attached to this SN (Attachment E). Workers are required to review each case on the Exception List and take appropriate action to resolve the error.

### Required Actions for Intake

Intake staff are required to:

- Ensure that the new Social Security Title II amounts for the January 2008 COLA, as well as the new Medicare premiums and allocation computations are reflected for January 2008 budgets and later. This applies to all cases leaving Intake on or after 12/2/07.
- Review and process any NOAs that were generated from the COLA Mass Update.
- Review and resolve errors for cases identified on the Exception Lists.

### Required Actions for Granted

For the majority of the active cases (including cases in suspense), the share of cost (SOC) increases resulting from the Title II COLA increase was automatically computed on 12/2/07 during the COLA Mass Update. Granted staff are required to:

- Ensure that the new Social Security Title II amounts for the January 2008 COLA, as well as the new Medicare premiums and allocation computations, are applied appropriately.
- Review and process any NOAs that were generated from the COLA Mass Update.
- Review and resolve error for cases identified on the Exception Lists.

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### Required Actions for Granted (continued)

Note: For cases that are in discontinued status on 12/2/07 and are being rescinded effective January 1, 2008, the worker will need run EDBC so that the increased amounts will be used as appropriate in the eligibility determination. Workers must review the income information in Wrap Up to ensure the correct amount is used.

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### Forms Impact

None

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### Quality Assurance Impact

Effective with January 2008 review month, Quality Assurance will cite with the appropriate error any case that does not follow the requirement of this SN.

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### Program Guide Update

The Medi-Cal Program Guide will be updated when the remainder of the changes that normally occur in January are received.

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### Corrections

DHCS delayed the implementation of the SSI/SSP COLA increases originally scheduled for June 1, 2008 to October 1, 2008. Revisions to the effective dates can be found in the Pickle handbook in attachments A and B.

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### Manager Approval

#### **ORIGINAL SIGNED BY;**

**DANN CRAWFORD**, Assistant Deputy Director  
Medi-Cal, General Relief and CAPI Program Administration  
Strategic Planning and Operational Support

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